December 14, 2018

The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, HI 96813

The Honorable Scott K. Saiki, Speaker  
and Members of the House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, HI 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting two (2) copies of the Department of Labor and Industrial Relations (DLIR) Work Opportunity Tax Credit Non-General Fund Report for the fiscal year ending June 30, 2018, as required by sections 37-47 and 37-52.5, Hawaii Revised Statues (HRS).

In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at http://labor.hawaii.gov/find-a-report/.

Sincerely,

Leonard Hoshijo  
Director

Enclosure
### Intended Purpose:
This federal tax credit was designed to help individuals from certain target groups who consistently face significant barriers to employment move from economic dependency to self-sufficiency by encouraging businesses to hire target group members and be eligible to claim tax credits against the wages paid to the new hires during the first year of employment.

### Source of Revenues:
CFDA17-271

### Current Program Activities/Allowable Expenses:
States are to use these formula grants for: accepting WOTC applications from employers; determining eligibility of individuals as members of the target groups; issuing employer certifications or denials; developing working agreements with partner agencies in American Job Centers (also called One-Stop Career Centers) or other State agencies to verify or document eligibility of new hires, including issuing Conditional Certifications; and coordinating efforts to promote WOTC with employers, job seekers and other Workforce innovation and Opportunity Act (WIOA) partners.

### Purpose of Proposed Ceiling Adjustment (if applicable):
N/A

### Variances:
None

### Financial Data

<table>
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<tr>
<th>Financial Data</th>
<th>FY 2015 (actual)</th>
<th>FY 2016 (actual)</th>
<th>FY 2017 (actual)</th>
<th>FY 2018 (actual)</th>
<th>FY 2019 (estimated)</th>
<th>FY 2020 (estimated)</th>
<th>FY 2021 (estimated)</th>
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<tr>
<td>Appropriation Ceiling</td>
<td>-</td>
<td>206,000</td>
<td>208,102</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Revenues</td>
<td>-</td>
<td>65,586</td>
<td>98,102</td>
<td>80,362</td>
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<td>Expenditures</td>
<td>-</td>
<td>65,586</td>
<td>98,102</td>
<td>80,362</td>
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**Additional Information:**

- Amount Req. by Bond Covenants
- Amount from Bond Proceeds
- Amount Held in CODs, Escrow Accounts, or Other Investments